

 <p>Financial Assistance Award</p> <p>DENALI COMMISSION 510 L Street, Suite 410 Anchorage, Alaska 99501 (907) 271-1414 (phone) (907) 271-1415 (fax) www.denali.gov</p>		Award Number	01309-00		
		Award Title	Igiugig Rural Power System Upgrade Renovation (RPSU #350277)		
		Performance Period	September 1, 2010 through September 30, 2013		
		Recipient Organization & Address			
Authority 112 Stat 1854	CFDA Number 90.100	Alaska Energy Authority 813 W Northern Lights Blvd Anchorage, AK 99503-2407 Phone: (907) 771-3000 Recipient DUNS # 054072608 TIN # 926001185			
Denali Commission Finance Officer Certification		Ms. Jennifer Price 09/20/2010			
Cost Share Distribution Table					
Accounting Code	New Funding		Prior Period Funding		Total
	Denali Commission	Other Contributors	Denali Commission	Other Contributors	
95670000	\$1,350,000.00		\$0.00		\$1,350,000.00
	\$0.00		\$0.00		\$0.00
	\$0.00		\$0.00		\$0.00
	\$0.00		\$0.00		\$0.00
	\$0.00		\$0.00		\$0.00
State of Alaska		\$150,000.00		\$0.00	\$150,000.00
		\$0.00		\$0.00	\$0.00
		\$0.00		\$0.00	\$0.00
		\$0.00		\$0.00	\$0.00
		\$0.00		\$0.00	\$0.00
Total	\$1,350,000.00	\$150,000.00	\$0.00	\$0.00	\$1,500,000.00
This Financial Assistance Award approved by the Federal Co-Chair of the Denali Commission constitutes an obligation of federal funding.					
Award Conditions to the Financial Assistance Award between the Denali Commission and Alaska Energy Authority (AEA) for Igiugig Rural Power System Upgrade Renovation (RPSU #350277), Award No. 01309					
Continued on the following pages.					
Signature of Authorized Official - Denali Commission Electronically Signed		Typed Name and Title Mr. Joel Neimeyer Federal Co-Chair		Date 09/15/2010	

AWARD ATTACHMENTS

Alaska Energy Authority

01309-00

1. Award Conditions - Igiugig Rural Power System Upgrade Renovation (RPSU #350277)

***Award Conditions to the Financial Assistance Award
Between the Denali Commission and Alaska Energy Authority (AEA)
For Igiugig Rural Power System Upgrade (RPSU) Renovation
Award No. 01309
September 2010***

1. Scope of Work

This award of \$1,350,000 will provide for a renovation of the power plant in Igiugig, Alaska (AEA project number 350277). Match funding in the amount of \$110,000 has been secured by the community from the State of Alaska and an additional \$40,000 is anticipated from the State of Alaska for a project total of \$1,500,000. The additional \$40,000 is not allowable in future grants from the Commission and must be secured through an alternative source (i.e. State of Alaska, local match, etc).

The renovations to the existing facility will include:

- Replacement of the existing generators utilizing marine jacketed units for maximum generation heat recovery.
- Replacement of existing switchgear and relays with new programmable automatic paralleling switchgear with load sharing capabilities set up for possible integration of alternative energy generation.
- Replacement of siding, insulation, and roofing.
- Replacement of the existing exhaust silencers with new interior mounted critical grade silencers on all three generators.
- Replacement of existing ventilation equipment with sound-insulated air intake and exhaust fan ducting.
- Replacement of existing radiators with new radiators and variable speed drives.
- Replacement of existing engine coolant manifold and heat recovery system with new system including thermostatic valve, brazed plate heat exchanger for improved efficiency.
- Installation of an energy meter for system monitoring.
- Installation of a new fire detection and suppression system.
- Provide sound insulated control room with unit heater.
- Reuse the existing fuel supply pipeline, day tank and control panel

The project will be coordinated, as much as possible, with the hydrokinetic project currently funded by the State of Alaska Renewable Energy Fund.

All Commission funding is intended for use for the scope of work identified in the Award document only. Any balance of funds remaining after the full scope of work has been completed will be returned to the Denali Commission.

2. Milestones

The following milestones are identified as the major steps to be completed as part of the project. "Planned" dates for the first milestone are included here. As part of each

progress report, recipients shall update the progress toward meeting these milestones (see section 7, Reporting).

Milestone	Planned		Actual		Units	Total Cost At Completion
	Start Date	End Date	Start Date	End Date		
Construction	09/01/2010	09/30/2013			0	\$0.00
Project Close-out	10/01/2013	12/30/2013			0	\$0.00

3. Award Performance Period

The Award performance period is September 1, 2010 through September 30, 2013. This is the period during which Award recipients can incur obligations or costs against this Award.

4. Direct and Indirect Costs

The cost principles of OMB A-87 are applicable to this Award. No indirect costs are allowable under this award. Please refer to the cost principles regulations for specific details on other allowable charges under this Award.

5. Budget and Program Revisions

The Administrative Circular, OMB A-102, applies to this Award. Please refer to the Administrative Circular for specific details on revisions to this Award. The Administrative Circular requires that AEA will inform the Commission in writing (e-mail, letter, or report) at the earliest possible date of any unanticipated project cost overrun, project schedule delays, or changes in the project scope or changed site conditions.

6. Payments

Payments under this Award will be made by electronic transfer in response to a "Request for Advance or Reimbursement", Standard Form 270 (SF-270) submitted by AEA. Requests for reimbursements may be made as needed. The SF-270 must be submitted to the Denali Commission via fax, e-mail (finance@denali.gov) or mail in order for payment to be processed. The form is available on the OMB website: http://www.whitehouse.gov/OMB/grants/grants_forms.html. Payments shall be made in accordance with OMB Circular A-102. Please contact the Denali Commission's Finance Specialist at (907) 271-1414 for further information about submitting this form. **No interest will be accrued on these funds.**

7. Reporting

Two forms of project reporting are required under this Award, listed below. AEA shall submit reports using the Denali Commission's on-line Project Database System, available at www.denali.gov. If there are technical limitations which may prevent the recipient

from meeting this requirement, please contact the Program Manager listed in this agreement.

- a. **Progress Reports** shall be submitted on a quarterly basis. The first reporting period is September 1, 2010 to December 30, 2010, and quarterly thereafter. Reports are due within 30 days of the end of the reporting period. Progress reports shall include the following:
 - i. Total project funding, including both Denali Commission funding and other project funding sources.
 - ii. The total project expenditures for the project as of the end of the reporting period, including both Denali Commission and Other funding sources.
 - iii. Updated schedule and milestone information as identified in the Scope of Work
 - iv. Narrative summary of the project status and accomplishments to date, and address the following questions: is the project on schedule, is the project on budget, and what actions are planned to address any project problems.
 - v. Photographic documentation of project progress shall be provided with the progress reports for active construction projects. The photo documentation shall include a minimum of three, dated photos per reporting period such that a complete record of the construction is maintained over time, from “before,” showing the situation before the start of construction, to “during” showing work proceeding on the project, and “after” to show the finished project. Photos shall be provided in a digital format as part of the on-line report. A short description of the activity and names of those in the photos shall also be provided.
- b. **Federal Single Audits** shall be submitted annually, when required. In accordance with OMB Circular A-133, which requires [subpart 200] “Non-Federal entities that expend \$500,000 or more in a year in Federal awards shall have a single or program-specific audit conducted for that year in accordance with the provisions of this part [subpart 205]. The determination of when an award is expended should be based on when the activity related to the award occurs.”

Recipients shall also submit single audits to the Federal Clearinghouse as designated by OMB. Information can be found on the following web-site:

<http://harvester.census.gov/sac/>

8. Project/Award Close-Out

The project close-out report shall be completed within 90 days of the end of the Award performance period or within 90 days of the completion of the project, whichever is earlier. Recipients must also draw down any remaining funds for expenditures incurred under this award during this 90-day period.

The project close-out report shall be submitted on-line through the Denali Commission's on-line Project Database System, available at www.denali.gov. The project close out will require the recipient to submit the following information:

- a. Final data for each item listed in paragraph 7(a) "Progress Reports"
- b. Final project expenditures itemized by the following categories: planning & design; materials & equipment; freight; labor; project administration/overhead and other expenses.
- c. Acknowledgement of support: For all construction projects, the Award recipient shall display a sign that acknowledges the Government's support for the project(s) developed under this Award. The Commission will provide an appropriate sign. The Award recipient must request an indoor and/or an outdoor sign from the Commission office. Pickup or delivery of the sign can be arranged at that time.

9. Public Policy Laws and Assurances

Award Recipients are required to comply with the public policy laws and assurances on Standard Form SF 424d. This form must also be signed by a certifying official of the organization. Some of the laws are highlighted below for your reference.

To the maximum extent practicable, considering applicable laws, Funding Recipients shall accomplish the project contemplated by the Award using local Alaska firms and labor.

No portion of this award may be used for lobbying or propaganda purposes as prohibited by 18 U.S.C. Section 1913 or Section 607(a) of Public Law 96-74.

Project level environmental reviews in accordance with the National Environmental Policy Act (NEPA) and the National Historic Preservation Act (NHPA) are required for each project undertaken with Denali Commission funds.

10. Non-Compliance with Award Conditions

Recipients not in compliance with the terms and conditions of this Financial Assistance Award will be notified by the Denali Commission. The Denali Commission will work with the recipient to identify the steps necessary to bring them back into compliance, and will establish an appropriate time frame for the corrections to be made. If the corrections have not been made by the deadline, the Denali Commission reserves the right to either suspend or unilaterally terminate the Financial Assistance Award for non-performance.

11. Program Manager, Financial Manager & Other Contact Information

Denali Commission	Alaska Energy Authority
Denali Daniels	Chris Mello

Program Manager 510 L Street, Suite 410 Anchorage, AK 99501 Phone: (907) 271-1189 Fax: (907) 271-1415 E-mail: ddaniels@denali.gov	Program Manager 813 W. Northern Lights Blvd. Anchorage, AK 99503 Phone: (907) 771-3072 Fax: (907) 771-3044 E-mail: cmello@aidea.org
Betty Sorensen Grants Administrator 510 L Street, Suite 410 Anchorage, AK 99501 Phone: 907-271-3415 Fax: 907-271-1415 E-mail: bsorensen@denali.gov	Amy McCollum Financial Contact 813 W. Northern Lights Blvd. Anchorage, AK 99503 Phone: (907) 771-3013 Fax: (907) 771-3044 E-mail: amccollum@aidea.org

12. Other project specific paragraphs may be added here

A letter dated July 20, 2010 was signed by the Commission and AEA to extend the terms of the FY2008-FY2009 Memorandum of Agreement (MOA) to include FY2010 awards. Per the MOA, biannual meetings will be held to share lessons learned and best practices and to report on the measureable improvements brought about as a result of the Commission's Energy Program and development of program evaluation metrics.